

**AMENDMENT NO. 1
TO THE
JOINT PROJECT AGREEMENT
BETWEEN THE
ALASKA INDUSTRIAL DEVELOPMENT AND EXPORT AUTHORITY
THE
RURAL DEVELOPMENT
AND THE
DENALI COMMISSION**

**FOR A TWO-PHASED STUDY -
STATEWIDE ENERGY PLAN &
EFFICIENT UTILITY OPERATION AND MAINTENANCE
PROJECT No. 0010-DC-2000-11**

DATE OF AMENDMENT:
March 2000

On December 11, 1999 the Alaska Industrial Development and Export Authority (a public corporation of the State of Alaska) hereinafter referred to as AIDEA, the Rural Development (an Agency of the U.S. Department of Agriculture) hereinafter referred to as RD and the Denali Commission, hereinafter referred to as the Commission, executed a Joint Project Agreement (Agreement) for the provision of a two-phased statewide energy plan.

Phase 1 of the energy plan was funded by the Commission and is now complete. Of the \$100,000 in Commission funds set aside for Phase 1 only \$76,549.92 was needed. The balance of \$23,450.08 will be applied to Phase 2.

In order to complete Phase 2 of this project, the following changes are necessary.

1. The parties will undertake an effort to quantify the need for further funding for rural energy projects (bulk fuel, rural power upgrades and alternative energy). This is in addition to the previously agreed to two-phase statewide energy plan. Elements of this capital projects selection process and list include the following.
 - a. Diesel power plants and distribution systems - expand the existing Alaska Energy Authority (AEA) database to include all PCE-eligible communities.
 - b. Bulk fuel storage – projects identified from the existing AEA deficiency needs database.

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- c. Alternative energy (i.e. not based on traditional oil-fired systems) – AIDEA will prepare an initial list of alternative energy projects recommended for funding. AIDEA will select these projects from existing concepts and proposals based on considerations of technical and economic feasibility. The Phase 2(b) contractor referenced below will conduct an expanded review of alternative energy potential in rural Alaska and will develop a revised list of recommended projects based on this expanded review along with a methodology for future project selection. Considerations of technical and economic feasibility will form the basis for the contractor's recommendations as well.
2. RD will direct and manage the Phase 2a operations, maintenance, and management study. The Commission and AIDEA will participate in the completion of this study. It is the expectation of the parties that the Phase 2a and Phase 2b contractors will coordinate their efforts, where feasible, especially field work.
3. AIDEA will direct and manage the Phase 2b statewide energy plan for the rural regions including evaluating solutions to major energy problems. The report will include expanded consideration of alternative energy and may include a revised list of recommended alternative energy projects. The Commission and RD will participate in the completion of this study.
4. AIDEA will serve as the contract administrator for the following contracts:
 - a. The University of Alaska – Institute of Social and Economic Research (ISER) for the Phase 2a operations, maintenance, and management study (RD will serve as the project manager) through a State of Alaska Reimbursable Services Agreement (RSA). This RSA will be limited to a maximum of \$25,000 in overhead/administration/indirect costs by ISER. RD will provide funding to AIDEA on a schedule of payments agreeable to RD and AIDEA.
 - b. A competitively selected firm to perform the balance of the Phase 2b rural portion of the statewide energy plan. The contractor must have extensive experience with rural Alaska energy issues. The Commission will provide funding to AIDEA on a schedule of payments agreeable to AIDEA and the Commission. Following state procurement principles, AIDEA will allow RD and the Commission to participate in the selection of the engineering contractor for Phase 2b.
 - c. With AEA assessment contractors for the diesel power plant and distribution systems capital project selection process and list.
5. The parties will determine the process for completion of Phase 2c and 2d of the statewide energy plan at a later date.
6. The parties agree that distribution of any work products identified under this Agreement (including those found in Paragraph No. 8 below), will not be distributed until all the parties have had adequate time for review, ~~and~~ *and have provided approval for* distribution. 3-24-00
HKS
3-24-00
7. The estimated cost and timelines to complete Phase 2a and 2b and the capital project selection process and list are shown on the following table.

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Item/Description	Estimated Cost	Contributor	Proposed Start	Proposed Finish
Capital Project Selection Process and List	\$200,000	AIDEA	3/1/2000	8/1/2000
Phase 2a – Operations, Maintenance and Management Study	\$200,000	RD	3/1/2000	3/1/2001
Phase 2b – Rural Portion of the Statewide Energy Plan	\$300,000	Commission	3/1/2000	1/1/2001
Phase 2c – Southeast/4 Dam Pool Portion of the Statewide Energy Plan	To be determined	Unknown	Unknown	Unknown
Phase 2d – Railbelt	To be determined	Unknown	Unknown	Unknown

8. A peer review process of the Phase 2 Energy Plan shall be conducted by a consultant selected and funded by the Denali Commission. An amount not to exceed \$50,000 shall be allocated for peer review efforts on the energy plan. An additional amount not to exceed \$50,000 with the concurrence of RD and AIDEA may be allocated as well for peer review efforts on the energy plan. AIDEA and RD will have an opportunity to review and advise the Denali Commission on all tasks, associated with the energy plan, assigned to the peer review consultant. Apart from the energy plan efforts, the peer review contractor may be requested by the Denali Commission to carry out other Commission related tasks (funded independently from the energy plan).
9. All tasks and products from Paragraph Nos. 7 and 8 are intended to produce an integrated energy planning process and plan.

This document constitutes Amendment No. 1 to the Joint Project Agreement for a two-phased statewide energy plan.

All other sections of the original Agreement remain in effect as agreed upon and executed.

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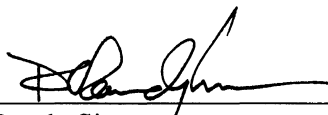
10. Signatures:

NOW THEREFORE, in order to provide the two-phased energy plan as set forth in this Agreement, AIDEA, RD and the Commission mutually agree to the terms and conditions contained herein:

IN THE WITNESS WHEREOF, the parties have subscribed their names,

3-22-00

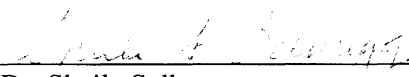
Date



D. Randy Simmons
Director, Alaska Industrial Development and Export Authority

3-16-00


Date



Dr. Sheila Selkregg
Director, Rural Development
Alaska Office

3-16-00

Date



Jeff Staser
Federal Co-Chair, Denali Commission